September 3, 2002

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012

Dear Supervisors:

AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICE TO NEGOTIATE WITH THE PLAZA DE CULTURA Y ARTE FOUNDATION FOR THE POTENTIAL LEASE AND OPERATION OF THE COUNTY'S EL PUEBLO PROPERTIES AND TO REPAIR AND RESTORE THE FORT MOORE MEMORIAL (FIRST DISTRICT) (3 VOTES)

#### IT IS RECOMMENDED THAT YOUR BOARD:

- Authorize the Chief Administrative Office to enter into negotiations with the Plaza
  De Cultura Y Arte Foundation for the potential lease, development, operation and
  maintenance of the County's properties within the El Pueblo area.
- 2. Authorize the Chief Administrative Office to undertake the extraordinary maintenance work necessary to repair the Fort Moore Memorial.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County of Los Angeles is the owner of several parcels totaling approximately six acres, within the El Pueblo area between Main Street, Cesar Chavez Avenue, Arcadia Street and Hill Street. These properties include three buildings that are on the National Register of Historic Places, the Fort Moore Memorial and public and employee surface parking lots. Since the late 1960s, the County has considered various plans to develop and improve these parcels, including private sector development, without success.

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This area is part of the site of the original settlement of Los Angeles and is rich in local history. Our historic buildings and the Fort Moore Memorial are in need of major repairs. We have conducted economic analyses which indicate that private sector development or participation is not likely to occur unless we can create a venue that will bring people to the area.

We are in a cycle of major interest in the re-invigoration of Downtown Los Angeles with the imminent opening of the Cathedral of Our Lady of the Angels and the Disney Concert Hall. There are major developments planned by the State and federal governments, the County's Music Center, the City of Los Angeles Community Redevelopment Agency, the Los Angeles Unified School District and the private sector. This presents a special window of opportunity to reinitiate our efforts to revitalize these long-neglected County properties and we have concluded a fresh approach is needed.

In January 2002, the Plaza De Cultura Y Arte Foundation was established for the primary purpose of supporting the County in its efforts to rehabilitate and develop its El Pueblo properties as a visitor, educational and cultural center to celebrate the founding of Los Angeles and its rich and diverse cultures. The El Pueblo Cultural Center is anticipated to be a multi-phase project beginning with the redevelopment of the County's historical properties within the El Pueblo de Los Angeles Antique Block, roughly bounded by North Main Street, Spring Street, Cesar E. Chavez Avenue and Arcadia Street. Currently, plans for the area include a memorial garden and courtyard, arts and educational center, a visitors' center, museum/gallery space, pedestrian improvements, and rehabilitation of the historic buildings. In addition, opportunities for revenue-producing developments will be explored to provide income to support programs for the properties.

It is anticipated that the Plaza De Cultura Y Arte Foundation, a 501(c) (3) nonprofit corporation, will be able to obtain grants and other funding to support the development and operation of the cultural center that would normally be unavailable to a governmental agency. Granting agencies often require that the organization have an interest in the property that is being developed. Therefore, the Foundation has approached the Chief Administrative Office regarding the potential for the Foundation to enter into a lease and operating agreement for the property. The County has similar arrangements with other nonprofit organizations for other County cultural facilities, including the Music Center, Museum of Art and the Museum of Natural History.

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Approval of this action will authorize the Chief Administrative Office to negotiate with the Foundation for the lease, development, operation and maintenance of the County's El Pueblo properties. Any agreement resulting from these negotiations would be brought to your Board for approval.

In addition, it is recommended that your Board authorize the Chief Administrative Office to undertake the extraordinary maintenance necessary to repair the Fort Moore Memorial and restore it to working order as a first step in invigorating renewed interest in the area.

# Implementation of Strategic Plan Goals

Approval of this action is consistent with the Strategic Plan Goal of Fiscal Responsibility by increasing the County Public-Private Partnerships.

## FISCAL IMPACT/FINANCING

There is no fiscal impact as a result of this action. The terms and conditions of any agreement with the Plaza de Cultura Y Arte Foundation would be subject to negotiation and approval of the agreement(s) by your Board. Funding to repair and restore the Fort Moore Memorial is included in the 2002-03 Extraordinary Maintenance Budget.

#### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Government Code authorizes the County to enter into contracts and leases with non-profit corporations to carry out programs which meet the social needs of the County.

Supervisor Molina currently serves as the Chair of the Board of Directors and President of the Foundation. Additionally, Supervisor Molina's Chief of Staff, Alma Martinez, is a director. The directors and officers of the Foundation do not benefit financially from serving in those positions. As the Foundation's primary purpose is to support your Board in the rehabilitation and development of the El Pueblo properties, County Counsel has advised that the conflict of interest laws would not preclude the County from entering into a lease and operating agreement with the Foundation. Further, the laws would not limit Supervisor Molina's ability to participate in the County's discussions or decisions regarding the lease or operating agreement provided her affiliation with the Foundation is noted in the official record at the time of any decisions.

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#### **ENVIRONMENTAL DOCUMENTATION**

The repair of the Fort Moore Memorial is categorically exempt under the California Environmental Quality Act (CEQA) under Article 19, Section 15301, Class 1 (a) and (d) of the State CEQA Guidelines and Class 1, subsections (c) and (l) of the County's Environmental Document Reporting Procedures and Guidelines.

Any renovation or development of the El Pueblo properties contemplated as part of any agreement(s) with the Plaza de Cultura Y Arte Foundation would require that the appropriate environmental document be prepared and certified by your Board prior to the approval of the agreement(s).

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This action will have no impact on any current services or projects.

## CONCLUSION

Please return one conformed copy of this action to the Chief Administrative Office, Capital Projects Division.

Respectfully submitted,

DAVID E. JANSSEN Chief Administrative Officer

DEJ:SNY:JSE KW:mda

c: County Counsel